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PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA
Item 45, I. D. #5642
ENERGY DIVISION **RESOLUTION E-3998**
6/15/06

R E S O L U T I O N

Resolution E-3998. San Diego Gas and Electric Company (SDG&E). Proposal for a new Unmetered Service Rate Schedule where meters for small loads are uneconomical or not permitted on public rights of way by local governments.

By Advice Letter (AL) 1780-E Filed on 3/15/06 and Substitute sheets of 4/14/06.

SUMMARY

This Resolution approves SDG&E's AL 1780-E as modified. A new Rate Schedule UM for Unmetered Electric Service is approved, as is Form 155-100 an Application and Contract for Unmetered Service under Schedule UM. Utility charges to initiate service and for service calls are deleted from the Schedule and Contract, and SDG&E must add the range of its hourly charges for auditing the device locations and energy consumptions.

BACKGROUND

SDG&E and other electric utilities often receive requests for unmetered service for small loads. These loads are primarily for communication devices (cell and WiFi antennae) mounted mostly on streetlight posts, where metering would be uneconomical and meter installations obstructive or restricted by local governments. In order to streamline the provision of this type of service, SDG&E is proposing a new Rate Schedule UM in lieu of formerly executed specific contracts. SDG&E used SCE's Schedule WTR and its related contract form as the model for their proposed tariff. SCE's Schedule WTR, Wireless Technology Rate was effective April 1, 2006.

NOTICE

Notice of AL 1780-E was made by publication in the Commission's Daily Calendar. SDG&E states that a copy of the Advice Letter was mailed and distributed in accordance with Section III-G of General Order 96-A.

PROTESTS

No protests were received to this AL, however the Energy Division considers the charges proposed in this AL beyond the scope of an AL and not justified by extra costs to the utility beyond the costs accounted for in rates of the comparable Schedule A.

On March 14, 2006 NextG Networks commented favorably to SDG&E's AL.

The following is a more detailed summary of the major issues raised by the Energy Division.

DISCUSSION

SDG&E's proposed Rate Schedule is based on a similar SCE Rate Schedule, but SDG&E would permit higher consumption per device and would impose extra charges. SCE does not levy extra charges under their equivalent tariff.

SDG&E's proposed schedule allows for up to 2700 kWh per month per device, while SCE's Schedule WTR is limited to 500 kWh per month per device. Both utilities require the customer to provide a fuse and box, locked by the utility.

The consumption on the proposed schedule is limited by fuses and charged at a flat monthly rate for each fuse size.

The rates for the unmetered service of both utilities are based on their general service rates, including the Basic Service Fee of \$ 9.10 for SDG&E and Customer Charge of \$ 5.09 for SCE.

However SDG&E's proposed tariff includes an additional \$100 one-time charge per device and a \$113 charge for each visit unless caused by SDG&E.

SCE does not require these extra charges, but only a nominal lock charge.

SDG&E states that the initiation charge for this unmetered service covers inspection and a lock for the fuse box. SDG&E provided labor rate and job duration information supporting this initiation charge, but did not show why that is not already included in its Basic Service Fee and distribution rates as for metered service. SDG&E states only that its cost for a coordinated meeting for each device is more than its usual cost to set a meter, make a monthly meter reading, and cover meter maintenance and testing costs. SDG&E's Basic Service Fee is nearly double SCE's comparable fee.

Similarly, we do not agree with the \$113 fee for each visit to a device, even for reasons beyond the utility's control. SDG&E already states in the proposed schedule that the customer may have to pay for maintenance costs exceeding its normal maintenance expenses resulting from, but not limited to, vandalism. SDG&E therefore acknowledges that maintenance is already included in the regular Basic Service Fee and distribution rates. Additional charges and fees do not apply to SDG&E's service under Schedule A.

SDG&E further states in its Application and Contract for Unmetered Service for Schedule UM that it will charge for auditing the device location and energy consumption at its discretion, up to annually. While auditing seems a necessary and additional task for this kind of service, the open ended costs for it raise concerns. At least a personhour rate range for such auditing should be stated in Schedule UM and the Contract to allow the customer some measure of verification of such charges, along with reasonable notice of field audits.

SDG&E states that NextG is waiting to be the first customer under Schedule UM and is willing to pay the proposed extra charges.

While NextG may be willing and able to pay these charges because of expediency, this proposed schedule is valid for other customers, some of them less willing or able to pay more than Schedule A for comparable service. We should not forget that commercial customers will simply pass on these costs to ultimate consumers of their products and services.

Another concern is SDG&E's request for a new rate schedule via the AL process. Since the proposed rates are identical to existing Schedule A it might be appropriate because SCE's similar Schedule WTR was approved by AL. However SDG&E's extra charges represent a rate increase. SDG&E may include

its proposed extra charges in its next General Rate Case, based on its experience at that time justifying extra charges, if any.

COMMENTS

Public Utilities Code section 311(g) (1) provides that this resolution must be served on all parties and subject to at least 30 days public review and comment prior to a vote of the Commission. Section 311(g) (2) provides that this 30-day period may be reduced or waived upon the stipulation of all parties in the proceeding.

The 30-day comment period for the draft of this resolution was neither waived nor reduced. Accordingly, this draft resolution was mailed to parties for comments, and was placed on the Commission's agenda no earlier than 30 days from the mailing date. No comments were received to the draft resolution.

FINDINGS

1. SDG&E proposes a new Rate Schedule UM and Application and Contract for Unmetered Service, primarily for wireless communication devices mounted on street lighting poles where local government does not permit meter installations or where this would be uneconomical.
2. The new schedule has identical rates to SDG&E's Schedule A, General Service and is modeled after SCE's approved Schedule WTR.
3. The consumption on the proposed schedule is limited by fuses and charged at a flat monthly rate for each fuse size.
4. The proposed Schedule UM includes the same Basic Service Fee for billing, meter reading, maintenance, testing and service calls as charged for the metered service under Schedule A.
5. In addition to the Schedule A charges, SDG&E would charge \$100 for initiation of service on each device and \$113 for each service call, unless caused by SDG&E.
6. SCE does not charge such additional fees. SDG&E has not provided credible evidence of cost beyond that for similar metered service.
7. New rates and charges are subject to Applications and SDG&E may apply for them in a General Rate Case.
8. The proposed auditing costs are not defined in Schedule UM and the Contract.

9. The Basic Service Fee of \$ 9.10 is not spelled out in the proposed Schedule UM.
10. Commercial customers are able to pass through extra fees and costs to ultimate consumers of their products and services.

THEREFORE IT IS ORDERED THAT:

1. The request of SDG&E to establish a new Rate Schedule UM and Application and Contract for Unmetered Service, Form 155-100, as requested in Advice Letter AL 1780-E is approved with modifications.
2. Service initiation and service call fees shall be deleted from the Schedule and Contract. SDG&E shall apply for such fees in an Application.
3. The proposed auditing costs shall be defined at least by a personhour range in the Schedule and Contract.
4. The Basic Service Fee of \$ 9.10 shall be stated in Schedule UM.
5. The proposed Schedule UM and Application and Contract Form 155-100 shall be revised as ordered above and resubmitted within 30 days of this order.

This Resolution is effective today.

I certify that the foregoing resolution was duly introduced, passed and adopted at a conference of the Public Utilities Commission of the State of California held on June 15, 2006; the following Commissioners voting favorably thereon:

STEVE LARSON
Executive Director